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Journal

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Monday - 25 January 1956

1. Attended a meeting at the Bureau of the Budget to discuss proposed CIA legislation. Present were Messrs. White, [redacted] and Paul of the CIA, and Messrs. Macey, Perry, Hamilton, Severy and Reed of the Bureau of the Budget. The outcome of the meeting relating to sections of our proposed draft was as follows:

Section 1. The Bureau of the Budget objected to our proposed exemption from the need for advertising on products which are to be bought for resale to Government employees. CIA explained the reasons why we felt such an exemption would be desirable, but there was no indication as to whether we had persuaded the Bureau of the Budget representatives. CIA accepted the Bureau's proposal for broadening the language of Section 1 (b).

Section 3. CIA accepted an amendment proposed by the Bureau of the Budget.

Section 4. O.K. as drafted.

Section 5. CIA accepted a language change proposed by the Bureau of the Budget.

Section 6. CIA accepted a proposed language change but disagreed strongly to the position taken by Philip Young that P. L. 737

adequately covers the home leave requirements of the Agency. I believe the Bureau of the Budget was sympathetic to our argument on this point.

Section 7. O.K. as drafted.

Section 8. CIA agreed tentatively to accept language changes as proposed by Philip Young, although noting that this problem was intimately tied in with the Territories and Possessions problem.

Section 9. The Bureau of the Budget informed us that they could not take any specific action on this Section, relating to medical benefits for dependents, until there was some further word on over-all Administration proposals covering this general subject. CIA indicated that this was one of the Sections about which we felt strongest, and also indicated our understanding that the State Department evidently share our view inasmuch as they are proposing almost identical provisions by way of amendment to the Foreign Service Act.

Section 10. O.K. as drafted.

Section 11. O.K. as drafted.

Section 12. Philip Young had suggested that instead of putting in new language, CIA adopt by reference certain provisions of the Foreign Service Act. CIA explained the reasons why we strongly preferred our own language, and I have an impression that the Bureau accepted our position.

Section 13. This is the same problem as Section 12. If one is permitted, the other will be also.

Section 14. The Bureau of the Budget and Philip Young are opposed to a gratuity although they might consider a compromise which would remove the blanket aspect of the gratuity and make it available upon some sort of a special hardship determination by the Agency. CIA is to consider further whether it wishes to propose any compromise language.

Section 15. O.K. as drafted. Philip Young had proposed additional language, but CIA indicated that it would not be necessary.

Section 16. O.K. as drafted.

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Section 17. The Bureau of the Budget does not want to act on this provision until there is a final Administration position on over-all government retirement legislation. The present Administration bill does not make any special provision for overseas personnel, but we were informed that they are now considering a separate bill which would cover this matter, although not in exactly the way CIA would have wished. CIA took the position that we felt very strongly that our language should be adopted, irrespective of whether or not there is government-wide legislation on this general point. This provision, along with Section 9, must be held in abeyance until the Administration position becomes clear.

At the conclusion of the meeting, it was agreed that Mr. [redacted] 25X1A9A would get together with Mr. Severy on language changes, and the Bureau would advise us further on their position of the substantive issues.

IG:NSP:fm

cc: DD/SV ✓ 25X1A9A

OGC, Mr. [redacted]

Ex O/P

Chief, Budget Div.